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RUEHCN/AMCONSUL CHENGDU 0255
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RUCPDO/DEPT OF COMMERCE WASHDC
RUEATRS/DEPT OF TREASURY WASHINGTON DC 0181
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RUCNFB/FBI WASHINGTON DC 0034
RUEAIIA/CIA WASHDC 0301
RUEKJCS/DIA WASHDC 0297

C O N F I D E N T I A L SECTION 01 OF 03 GUANGZHOU 000616

SIPDIS

State for EAP/CM; EEB/CIP; EEB/TPP; INR/EAP; S/P
State pass USTR for China Office; IPR Office
NSC for JBader, JLoi
Commerce for National Coordinator for IPR Enforcement
USPTO for Int'l Affairs - LBoland, EWu
DOJ for CCIPS - MDubose
DOJ for SChembtob
FTC for Blumenthal
FBI for LBryant
DHS/ICE for IPR Center - DFaulconer, TRandazzo
DHS/CBP for IPR Rights Branch - GMcCray, PPizzeck
ITC for LLevine, LSchlitt
TREASURY FOR OASIA - DOHNER/WINSHIP

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TAGS: [ETRD](#) [KIPR](#) [PREL](#) [ECON](#) [EINV](#) [PGOV](#) [CH](#)

SUBJECT: Secretary Locke and Guangzhou Mayor Zhang
Discuss IPR, Asian Games and Guangzhou's Economy

¶1. (U) Classified by Consul General Brian L. Goldbeck for reasons 1.4 (b) and (d).

¶2. (SBU) October 27, 2009; 11:00 a.m.; Sam's Club, Panyu District, Guangzhou.

¶3. (SBU) Summary: In a brief 25-minute discussion October 27 in Guangzhou, Secretary of Commerce Gary Locke and Ambassador Huntsman discussed with Guangzhou Mayor Zhang Guangning opportunities for U.S. companies to bid on contracts for the 2010 Asian Games, the location of the new Guangzhou Consulate Compound, the city's economy and intellectual property rights (IPR) protection. End summary.

2010 Asian Games

¶4. (C) Secretary Locke congratulated Zhang on Guangzhou's selection as host of the November 2010 Asian Games. Zhang reciprocated by inviting Secretary Locke and Ambassador Huntsman to attend the event. Secretary Locke said a number of U.S. companies hoped to find opportunities related to the Asian Games and raised Motorola's interest in bidding on contracts for providing communications support. Zhang said he welcomed Motorola's bid. Secretary Locke asked that the bid

receive full consideration.

Guangzhou's Economy Picking Up

15. (C) Commenting on the previous day's groundbreaking ceremony for the Guangzhou New Consulate Compound (NCC), Zhang enthusiastically told the Ambassador that he thought the NCC site was "a really good location!" Zhang said that, years earlier when the USG negotiated the purchase of the site, the surrounding area was a much less attractive location.

16. (C) Zhang spoke positively about his September 2009 visit to Los Angeles, where he discussed economic issues with the mayor. He also mentioned how, as the financial crisis was beginning in 2008, he was at a Stanford University training program and had an opportunity to see the crisis first hand. Though the economic crisis muted Guangzhou's GDP growth, Zhang said that the city was on track to meet its 10% growth target for the year. Zhang praised Secretary Locke's previous efforts as governor of Washington to promote business with China, adding that the opening of the first Wal-Mart store in Guangzhou being celebrated that day showed how close U.S.-China business ties really were.

IPR a Requirement for Innovation

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17. (C) Changing Guangzhou from a manufacturing center to a hub for research and development and high technology would require strong enforcement of IPR, Secretary Locke told Zhang. Noting that some manufacturing companies were already in the process of moving their operations to other parts of China or even to Southeast Asia or Africa, Secretary Locke said that to attract more high-tech companies and protect domestic Chinese inventors and innovators, IPR had to be a priority. Secretary Locke called Guangzhou's plans to diversify the nature of its economy "very wise," and expressed his interest in hearing how the implementation of IPR policy in the city might play out.

18. (C) Zhang said he firmly agreed with Secretary Locke's views on IPR, saying that "if Guangzhou cannot protect investors' interests, they will cease to invest." In response to Secretary Locke's offer to partner with China to assist with training, enforcement or other IPR-related cooperation, Zhang recalled that former Vice Premier Wu Yi had held a training program in Beijing for China's mayors on IPR issues. Zhang said that there were still leaders at the local level in China who were not committed to protecting IPR, but that they would be punished when caught. Nonetheless, according to Zhang, most mayors in China shared Zhang's stance to "firmly protect IPR."

19. (SBU) Participants:

U.S.

Secretary of Commerce Gary Locke
Amb. Jon M. Huntsman, Jr., Embassy Beijing
Consul General Brian L. Goldbeck
Rick Wade, DOC Deputy Chief of Staff
Michelle O'Neill, DOC Acting U/S
Travis Sullivan, DOC Director of Policy
Francisco Sanchez, DOC Senior Advisor
Ira Kasoff, DOC DAS for Asia
Neil Ashdown, Embassy Beijing Chief of Staff
William Zarit, Embassy Beijing Senior Commercial Officer
Steven Chan, Deputy Director, OCEA
Ireas Cook, Guangzhou Principal Commercial Officer

Lisa Rigoli, TFO Beijing
Kurt Aufderheide, Guangzhou Political Officer (notetaker)
James Brown, Interpreter

PRC

Guangzhou Mayor Zhang Guangming
Li Rongcan, Guangzhou Vice Mayor
Chen Rugui, Secretary General
Li Ming, Guangzhou Foreign Affairs Office Director
Liang Guixuan, Guangdong DOFTEC Deputy Director General
Tan Yinghua, Panyu District Party Secretary
Lou Xukui, Panyu District Government Director General

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Wal-Mart

Ed Chan, President, Wal-Mart China
Barry Friedman, Vice President, Wal-Mart China

110. (U) Embassy Beijing and the Foreign Commercial
Service cleared this cable.

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